

## State-Regulated Payer Incentives for Electronic Health Records

### Overview

Maryland is the first state to require State-regulated payers (payers) to provide incentives for certain health care providers to promote the adoption of electronic health records (EHRs). EHRs are longitudinal digital patient records that may include information such as demographics, progress notes, health problems, allergy



and medication lists, vital signs, past medical history, immunizations, laboratory data and radiology reports. EHR adoption is an essential component of health care reform and can improve the quality of care, increase productivity and reduce health care costs. The Maryland

Health Care Commission (MHCC) established the EHR adoption incentive program (program) in collaboration with the six largest private payers in the State: Aetna Inc.; CareFirst BlueCross BlueShield; Cigna HealthCare Mid-Atlantic; Coventry Health Care; Kaiser Permanente; and UnitedHealthcare, Mid Atlantic Region. The program is available from October 2011 through December 2014. The EHR adoption incentive is a one-time incentive for an eligible practice calculated per payer.

### Practice Eligibility

Incentives are available to primary care practices in Maryland. Primary care practices include family, general, geriatric, internal medicine, pediatric, or gynecologic practices. A practice must adopt an EHR that is nationally certified by an Office of the National Coordinator (ONC) - Authorized Testing and Certification Body to be eligible for the EHR adoption incentive.

### Available Incentive

The incentive is a cash payment unless an incentive of equivalent value, such as specific services, gain-sharing arrangements, rewards for quality and efficiency, in-kind payments, or other items or services that can be assigned a specific monetary value is agreed upon by the practice and the payer. The aggregate payment amount includes a *base incentive* of up to \$7,500 and may include an *additional incentive* of up to \$7,500 for a total maximum payment of \$15,000 per payer.

#### Base Incentive

The base incentive is calculated at \$8 for each patient assigned to a provider within the primary care practice who is a member of the payer at the time a practice makes a request for the incentive payment. In cases where the payer does not assign patients to a provider within a primary care practice, the patients enrolled with that payer who have been treated by the primary care practice in the last 24 months can be included in the *base incentive* calculation, if the practice is credentialed and participating with the payer.

#### Additional Incentive

A practice shall receive an additional incentive if it demonstrates that it has achieved an additional incentive component during the immediate 90 days prior to submitting its EHR adoption incentive payment request. An additional incentive component may include one of the following:

- Contracts with a State Designated Management Service Organization (MSO) or MSO in Candidacy Status for EHR adoption or implementation services;
- Participates in the payers quality improvement outcomes initiative and achieves established performance goals; or
- Demonstrates advance use of an EHR as defined by the payer.

## How to Receive the Incentive

There are two steps a practice must complete to receive the EHR incentive.

### Step 1 - Submit an Application

Practices can apply for the incentive by submitting an application by June 30, 2014 to the payer(s) they do business with. The payer must issue an EHR adoption incentive application acknowledgement letter within 90 days of receipt of the application. The application includes the following items, and payers may request additional information:

- General practice information;
- The estimated number of members on the practice's panel or the number of members treated by the practice in the last 24 months;
- The name and version of the certified EHR in use at the practice;
- A description of EHR functions that the practice uses or the anticipated dates of implementation; and
- A signed attestation.

### Step 2 - Request the Incentive

To request the incentive payment, practices may submit an *EHR Adoption Incentive Payment Request* (payment request) to the appropriate payer(s). Payment requests may be submitted approximately six months after submitting their application, and no later than December 31, 2014. Payers must process and pay in full the payment request within 90 days of receipt. Payers will also notify practices of the incentive value, how it will be distributed to the practice, and over what time period. The payment request must include the followings with supportive documentation:

- A copy of the payer's application acknowledgement letter;
- A report listing the members on the practice panel at the time of request;

- A list of the payers' members treated by the practice within the last 24 months in cases where a payer does not assign members to a practice;
- A description of EHR functions that the practice uses for additional incentives; and
- A signed attestation.

## Additional Information

- EHR adoption incentives are in addition to the federal EHR adoption incentive available through the Center for Medicare and Medicaid Services EHR Incentive Programs.
- Practices have the option to request the *base incentive* and the *additional incentive* at the same time or request the *additional incentive* in a subsequent payment request.
- Payers may exclude a member from the incentive calculation for a practice if they were previously included in another practice's incentive calculation.
- Payers may request additional information from a practice to validate an incentive request and to reduce payments to a practice where a payer determines that a duplicate and/or overpayment has been made.



## Resource Websites

State-Regulated Payer EHR Adoption Incentive Program:

<http://mhcc.dhmd.maryland.gov/hit/ehr/Pages/stateincentive/stateehrincentive.aspx>

State-Designated MSO Program website:

[http://mhcc.dhmd.maryland.gov/hit/mso/Pages/mso\\_main.aspx](http://mhcc.dhmd.maryland.gov/hit/mso/Pages/mso_main.aspx)